GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:5254
ANSWERED ON:30.04.2008
COAL LINKAGE FOR SPONGE IRON UNITS
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Will the Minister of COAL be pleased to state:

(a) whether certain sponge iron units had applied for linkage of coal;

(b) if so, the details thereof; state-wise;

(c) whether these units have been denied the benefit of getting coal at regulated price due to denial of coal linkage by the Government;

(d) if so, the details thereof; and

(e) the action taken/proposed to be taken by the Government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY COAL (SHRI SANTOSH BAGRODIA)

(a) to (e): Grant of long-term coal allocation to sponge iron units is a continuous process, which is decided by the Inter-ministerial Standing Linkage Committee (Long-term), for sponge iron units, constituted in Ministry of Coal in October,2005. Since October 2005 and till date, 371 applications have been approved by the committee for grant of long-term coal linkage/Letter of Assurance (LoA), based on extant policy. Coal India Limited/ Singareni Collieries Company Limited has been allocating coal to valid linked consumers on notified price. Letter of Assurance (LoA) holders, would be required to meet the milestones before they can enter into Fuel Supply Agreement (FSAs) with coal companies for supply of coal at notified price.
The state-wise details of applications approved during last three years and details of applications yet to be approved by the committee are as under:-

S.No.	Name of the State in which plant is proposed to be setup	No of applications approved by Standing Linkage Committee (Long term) during October 2005till March 2008	Number of applications pending for consideration
1	West Bengal	61	21
2	Uttar Pradesh	6	1
3	Tamil Nadu.	3	4
4	Orissa	122	47
5	Madhya Pradesh	4	1
6	Maharashtra	11	7
7	Karnataka	9	24
8	Jharkhand	36	35
9	Gujarat	2	2
10	Chhattisgarh	97	29
11	Goa	1	0
12	Bihar	1	1
13	Andhra Pradesh	18	14
	Total	371	186

The pending applications will be taken up by the Standing Linkage Committee (Long-term) for consideration in its next meeting, based on, inter-alia, recommendations of Ministry of Steel, preparedness of the plant and availability of coal etc. in accordance with the provisions of the Coal Distribution Policy.